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PSC APPROVES REDUCED REGULATION FOR QWEST LONG-DISTANCE SERVICE

The Montana Public Service Commission yesterday unanimously approved reduced regulation for Qwest's long-distance service that will allow the company to change its local long-distance rates for business customers upon seven days' notice to the PSC. For residential local long-distance rates, the PSC established a range between what it costs to provide the service and today's rates within which Qwest may increase or decrease rates without PSC approval.

"The commission recognizes that the local long-distance market in Qwest's service territory is becoming more competitive and that reduced price regulation is the appropriate response," according to PSC Chairman Dave Fisher. "It's likely that regulatory requirements will be further reduced in the future as more competition develops for these services."

Qwest filed an application with the PSC in August 1999 to detariff its local long-distance service, also known as intraLATA toll service, in accordance with provisions of state law that authorize the PSC to reduce regulation when there are competitive providers of the service. Qwest currently provides local long-distance service pursuant to tariffed rates, terms and conditions that must be reviewed and approved by the PSC, usually in a rate case.

In reaching its decision to eliminate price regulation for business customers' local long-distance rates and establishing an allowable range for residential rates, the PSC found that, even though Qwest retains a significant share of the intraLATA toll market in its service territory, there is evidence of the development of competition that justifies reduced regulation. The PSC determined it was in the public interest to move more slowly toward price detariffing for Qwest residential customers' local long-distance rates.

In its filing, Qwest also requested that the PSC detariff its operator services. Operator services include operator assistance for calling card calls, collect calls, and operator verification that a line is in use or interruption of an ongoing call. The PSC denied this detariffing request because it decided insufficient competition exists for operator services.

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